PLAN ELEMENT VII: ECONOMIC DEVELOPMENT STRATEGY

The City of Rockford is committed to strengthening its economic development and closely related programs through multiple and related efforts. City initiatives will be coordinated with State DCEO (Department of Commerce and Economic Opportunity) and regional Rockford Area Economic Development Council (RAEDC) Initiatives to comprise a multifaceted action plan for Economic Development.

Statewide and Regional Initiatives

Illinois DCEO will implement its "Opportunity Returns" program focusing on the following:

- Infrastructure projects-specifically transportation and sewer and water projects
- Manufacturing modernization, including incentives programs to small and mid-sized businesses to improve competitiveness and efficiencies
- Workforce development initiatives, especially those that result in job creation
- Brownfield redevelopment and remediation
- Creative use of existing program funding, such as the Enterprise Zone, Community Development Assistance and the Economic Development for a Growing Economy programs

DCEO is also responsible for implementing a new pilot program established by the State in 2006, the River Edge Redevelopment Zone program. The City of Rockford is one of three cities in Illinois to participate in this program. Modeled after the Enterprise Zone program, it offers many of the same incentives with the goal of encouraging redevelopment of "environmentally challenged" sites within the designated River Edge Zone. River Edge has the added incentive of roughly \$1.75 million from the Illinois Environmental Protection Agency to be spent on brownfield assessment and/or clean up on publicly owned sites within River Edge. In order to be certified as a River Edge community, Rockford submitted a lengthy application to the State of Illinois that included a social and economic analysis of the Zone, description of the community's economic assets and liabilities, description of development goals and objectives for the Zone, and a Zone Management Plan. The application was approved by ordinance on July 30, 2007 and certified by the State of Illinois on August 24, 2007. The application is included here as an added appendix to the 2020 Plan, with special attention being paid to the 10-year development goals it includes, to wit:

- Increasing public access physically and visually to the Rock River and the riverfront;
- Ensuring to the greatest extent possible that environmentally-challenged sites within Rockford's River Edge Redevelopment Zone are cleaned up and available for new uses; and
- ▶ Building on existing assets in the Zone including public improvements to strengthen its role in the local economy, both as a place to work and as one in which to live and play.

The Rockford Area Economic Development Council (RAEDC) has as its primary role helping employers retain and create quality jobs. They have identified the following four public policy areas that can improve the economic health of our community:

- Improved Workforce Development Prepared workers who have the skills and attitude to succeed, particularly for workforce replacement or growth. The RAEDC encourages local, state and federal governments to expand capacity or prospective employees and to provide incentives to businesses that provide training opportunities for their employees.
- Coordinated Regional Economic Development Plan A coordinated regional development plan that results in an area prepared for economic development. The RAEDC is pleased to be a part of the Rockford Area Transportation Planning Study and supports inter-governmental agreements that result in competitive infrastructure.
- Reasonable Business Taxes and Fees A legislative environment that provides a level playing field, so

businesses can compete both regionally and internationally.

• **Customer-Focused Local Government** Seamless, competitive services that are delivered in a predictable process environment, from the first call to follow-up.

The RAEDC supports elected officials, policy makers and community leaders as they work toward legislation, programs, and solutions that achieve these priority goals and address the areas of concern. A strong economic development environment will help ensure economic security for our community.

City of Rockford Initiatives

1. Expand Rockford's employment base

The City of Rockford will be more aggressive in coordinating efforts with the RAEDC and other economic development organizations in the area to achieve the goal of retaining and recruiting employers who will grow quality jobs in the Rockford area. This will include a three-pronged approach:

- ▶ Implementation of an aggressive program of business retention and expansion for primary employers of all types and sizes. The focus will be on existing primary employers and entrepreneurial ventures that have potential to become part of the region's economic base.
- Work with the RAEDC in creating a recruitment team that will act as a sales force for the Rockford region in order to attract new businesses and investment, targeting new primary employers that will diversify and strengthen our economic base.
- Work with the RAEDC and others to create a positive business climate in the region.

2. Implement the Tax Increment Finance Districts (TIFS) within the Rockford Global Trade Park Industrial Redevelopment Planning Area

The City of Rockford approved the Redevelopment Planning Area in early 2004 and has begun efforts to recruit new employers and create the first of what could be several TIF Districts within the Redevelopment Planning Area surrounding the Greater Rockford Airport. One of the key elements to the development of a future TIF or TIFs is the need for major improvements to the sanitary sewer system, especially the development of a Regional Pumping Station and Force Main to replace the several smaller pumping stations near 11th Street. Transportation system improvements ,including the construction of a new Beltline Road , are also critical to realize the full development potential of this prime location for trade-related industry. Land assembly and potential land use conflicts are also challenges, but they are outweighed by the fact that this geographic location is recognized as the prime location in the Region for this type of economic development activity, specifically global trade. This area will be a primary focus of the City in its efforts to increase the number of quality jobs in the community.

3. Protect Rockford's Economic Base / Financial Resources



The City of Rockford must focus on more than job creation and retention and strengthening the region's position. It must also provide for its own economic future and ability to provide and improve City services. One way in which a city provides for its future, and the future of its citizens, is to ensure that its tax base will continue to grow. The reason for this is simple — the more taxpayers there are, the less each one has to pay. If, on the other hand, the number of taxpayers remains static and/or the value of real estate does not increase, then the amount each one pays

will increase over time simply through the effect of inflation. The property tax and sales tax are the City's primary revenue sources, accounting for 35% of its total revenues in 2007.

For many years, the City of Rockford has worked hard to protect and enhance its economic base. Using a multifaceted approach, it has looked for ways to protect, expand and diversify its employment base. Implementation tools include active development, economic development and housing programs within city government, carried out in close cooperation with the private sector, as well as the annexation program that has been in place since 1984. The last has been especially important in strengthening the City's retail sales tax base, enabling Rockford to accommodate the shift to the "big box" stores within the city limits. Loss of this type of retail to other jurisdictions, as was the case with the regional shopping malls, would have been devastating to the City's retail sales tax base.

Though industry remains the heart of Rockford's economy, the service sector has come to play an increasingly important role in the past 20 years. In 1980, 20% of Rockford's workforce was employed in the service sector; by 2000, this had risen to 43%. Retail constitutes a significant portion of this. While the retail portion of our economic base is healthy, we cannot take its future well-being for granted. To ensure that it continues, the City should:

- Develop a process for dealing with vacant "big boxes" or franchise establishments as they occur. Over the course of the next 15-20 years, retail marketing will inevitably change to something else. As this occurs, Rockford needs to be prepared to deal with the immediate consequences, i.e., vacant stores. While an individual vacancy may not have a devastating effect, it would not take many more than that, especially of something the size of Wal-Mart or Lowe's, to seriously impact the viability of a commercial area. An important first step in this process is to carefully monitor big box and other retail cycles to be ready to step in in a timely fashion.
- Continue the Small Business Loan and similar programs to encourage business start-ups.
- Take steps to secure the "second store" or the next store for major retailers within the City of Rockford. If everything goes as planned, the City of Rockford will have three of four Wal-Marts in the region with the fourth being in Belvidere. Kohl's, Target and Home Depot have all opened a second store in Machesney Park. Both Menard's stores are located outside the City.
- Encourage the continuous upgrading and active marketing of existing retail centers.
- Promote new development that produces a net revenue gain for the City, taking into account public infrastructure and public service costs
- Establish basic criteria that projects must meet in order to receive any type of incentive from the City. For example, one that was mentioned frequently during public input meetings on this plan is that the project must create jobs that pay a living wage. Others were to limit the use of incentives to areas where development is not likely to occur without them, and tying incentives to an agreement in which the recipient agrees to stay at that location for a specified time.
- Systematically plan for the redevelopment of the community's older commercial areas *before* they become more of a negative than a positive. Each of these areas is unique, deserving its own planning effort. Since not all of these areas developed during the same time period, the challenges they present will differ. For example, the 1920s and '30s-era buildings at Main and Auburn may require a different approach than the 1960s-era development near East State and Fairview. In any of these cases, redevelopment may not always result in new commercial life in an area; it may result in a change in use, not unlike what is taking place downtown. The important fact is that it be a viable use and one that is a positive for the neighborhood. Rockford Plaza at 20th and Charles Streets is a prime example of what can occur. In the 1990s, it was transformed from a moribund and fragmented strip mall to the active center it is today, combining offices, a medical clinic and retail. As can be seen from the following list,

several areas fall into this category, making the first task one of determining priorities among them:

- State Street west of downtown;
- ▶ North Main and Auburn;
- Portions of 11th Street;
- Portions of Kishwaukee Street;
- Victorian Village;
- ▶ Broadway;
- North Main and West Riverside;
- ▶ Auburn Street:
- Kilburn Avenue;
- ▶ East State Street from Fairview Avenue to Rockford College; and
- Highcrest Center.

For these commercial areas and similar areas, the city should promote development and redevelopment for mixed uses that produce a net revenue gain for the City. This same recommendation holds true for targeted infill areas. The City has begun the process of planning for these areas by completing plans for the Main and Auburn Business District, the North Main Street corridor from Auburn to just north of West Riverside Boulevard, and for South Main Street. These plans are included as appendices to the 2020 Plan.

- Work to redevelop and/or fill vacant office space already existing within Rockford before building new office development on the fringe.
- ► Get signs under control. Nothing detracts from a commercial area like a sea of competing signs. Things have improved substantially since mobile signs were banned in Rockford in 1993, and they should improve even more in the near future with implementation of the billboard ordinance passed in 2002. What remains is to address the visual clutter that occurs along major commercial corridors. Rockford has more than one location where business signs are so tightly spaced it is virtually impossible for someone driving by to be able to read more than a tiny fraction of them. This becomes self-defeating for the businesses involved and presents a less-than-appealing face to driving public.



- In addition, the city should consider the following revenue-related recommendations:
 - develop a process to evaluate revenue production and tax burden on different types of taxpayers resulting from various combinations of taxes and fees
 - identify cities that are Rockford's chief competitors for development and conduct an annual survey of their tax rates and fees for an annual report and evaluation

Revenue is one side of the financial equation while <u>expenditure</u> is the other side. In recent years, the City has had sales tax revenues fall short of expectations and has had to lay off staff and make other cuts to balance the budget. Relating to the expenditure side of the equation, the City should:

- Continue to identify more efficient and more effective ways to deliver city services
- Constantly review staffing levels in light of changing workloads

4. Protect Rockford's Physical Resources

During this time, the City has not lost sight of what has historically been the heart of its economy — industry. In 1991, the Department of Community Development completed a Strategic Plan for Industrial

Development. This had two primary purposes — to assemble relevant infrastructure information about all land within Rockford's ultimate annexation area that had been proposed for industrial development; and to identify sites with the highest potential for development, rating them and identifying the basis for incentive packages that would facilitate industrial development. As a result, the Industrial Incentives Program was created, resulting in \$100,000 being set aside annually for public improvements that would lead to new industrial construction. The funds were awarded on a competitive basis over the 10-year life of the program. The data in the Strategic Plan were used in determining appropriate areas for industrial development in the 2020 Plan, and for identifying potential industrial recovery TIFs. The City should continue with the following efforts:

- With the RAEDC, take steps to ensure an adequate supply of land for base employment development for the production of export goods and services, including an inventory of parcels suitable for industrial development as well as vacant industrial structures after the WinGIS is fully operational.
- Maintain adequate capacities in public utilities to accommodate planned industrial development, including a Capital Improvements Plan to include sanitary sewer as well as the City's utilities and services
- Extend public utilities and transportation facilities into all areas planned for base employment use, including appropriate sizing of water and sewer lines to serve expected needs, coordinating with the Reclamation District
- Seek state and federal economic development funds to provide these utilities for future base employment
- Develop and maintain the capacity of the transportation system to further attract these industrial developments and handle traffic demands, working with the Illinois Department of Transportation and the Winnebago County Highway Department.
- Promote the development of transportation-related goods and services as a special focus of Rockford's economic base, strengthened by the Greater Rockford Airport and the Union Pacific Railroad's "Global III "in Rochelle.

5. Address Rockford's Brownfields

One issue that crosses over between concern for the natural environment, and economic development concerns is "brownfields." These are abandoned, idle or underused industrial and commercial facilities where there is real or perceived environmental contamination. Several issues are involved in evaluating the impacts of brownfields. Some of the major ones include:

- Environmental justice Since brownfields are usually in the older parts of cities, minorities and lower-income persons are more likely to be impacted by them than are non minorities and middle- and upper-income persons.
- Public health and safety The level of contamination in any particular brownfield can run the gamut from negligible to a genuine threat. The largest hurdle in many cases is determining what that threat truly is, and then deciding how best to handle it in light of proposed use of the site and surrounding uses. Other related issues can arise when brownfield properties are abandoned, such as increased crime and/or dumping on these sites.
- Financing Cleanup costs are generally the biggest obstacle to redevelopment of older industrial areas. There is the actual cost itself, frequently compounded by the lack of significant public assistance in dealing with these costs. In comparison, "greenfields" development is frequently the recipient of public



infrastructure investment, giving it an even greater advantage over brownfields development.

- Public policy When it comes to brownfields, we cannot afford to walk away from or minimize the public infrastructure that's already in place streets, storm sewer, sanitary sewer, water nor can the utilities (gas, electricity, phone). Brownfield sites also tend to be closer to emergency services (police, fire, ambulance) and, therefore, cost less to serve than greenfield sites. Brownfield sites are often near (or in) neighborhoods that can provide workers, as compared to greenfield sites where everyone drives. These are all strong public policy reasons to support brownfield redevelopment; unfortunately, the fear of liability and the unknown create a climate that discourages their redevelopment. A lot of progress has been made on this front, but it is still a major obstacle.
- **Liability** Here we come to the crux of the matter. The prospect of liability for cleanup of a site frequently frightens off potential buyers and/or developers of brownfields sites. By law, you and maybe even your banker are liable for the entire cost of cleaning up the site, even if the problem was created years before you had anything to do with the site.

In dealing with the issue of brownfields, the City of Rockford needs to continue to be proactive and search for ways to simplify the redevelopment process for these sites. Some important steps have already been taken. The City received a \$200,000 Brownfields Assessment Pilot Program grant from the USEPA in late 1999. This is being used to identify Enterprise Zone brownfield properties that appear to have redevelopment/reuse potential. USEPA also awarded Rockford a \$500,000 Brownfields Revolving Loan Fund Grant to help finance the cleanup of brownfield sites in the Enterprise Zone that are also in IEPA's Voluntary Cleanup Program. In late 2003, the City received a \$400,000 Brownfields Assessment Grant for evaluation and testing of sites within Barber Colman Village, the Criminal Justice Center site, and the Harrison Avenue section of the IL-251 corridor. To continue to move forward, the City should carry out the following work:

- Within the Superfund Area Inventory and evaluate the current and planned future uses of industrial and nonindustrial areas to establish a solid data base, then develop a detailed plan for the future development or redevelopment of the Superfund Area with owner and resident input. At the same time, continue to pursue innovative approaches to handling the liability issue such as the proposed special service tax.
- Outside the Superfund Area Identify the types of properties that would be considered brownfields and the problems associated with them; inventory major brownfields sites (2.5 acres or more) with their current and planned uses. Develop a plan of action of what the City and other government bodies can do to alleviate the negatives, and of what the private sector can do.
- For all brownfields sites Develop an information program to educate owners of brownfields on the implications of brownfield status for their property, on potential uses of their property, on how their property can be adapted for those uses, and on recently enacted legislation that expands and extends federal tax credits for cleanup costs. Continue to pursue innovative approaches to the problem, such as the special service area, tax increment financing areas, USEPA Brownfield Cleanup Grants, business development districts, and Industrial Jobs Recovery Act districts (i.e., industrial TIFs). And finally, review City building, zoning and subdivision regulations to eliminate any possible delays and bottlenecks that adversely affect redevelopment of industrial sites. One possibility might be to allow increased density to offset the increased costs of developing a brownfield site.

There will always be cases where the owner of a brownfield site allows it to deteriorate and/or refuses to maintain of improve it. These types of cases will have to be dealt with through aggressive code enforcement by the City.

6. Strengthen the Role of Downtown

When the original Year 2000 Plan was written, downtown Rockford had been on the decline for some time. Little mention was made of downtown in the Year 2000 Plan other than a need to revitalize it as a

commercial center. Unfortunately, its role as the area's retail center had already pretty much passed it by. The last of the major stores, J. C. Penney, closed in 1980, and there was very little in the way of small retail establishments left. The decline continued for a few more years to the point where downtown was virtually deserted, or at least gave the appearance of being so.

Since that time, Rockford's downtown has established itself as the area's governmental, legal, and entertainment center. It has a thriving arts community, strong commitments from both City and County governments in terms of renovation of office space for their respective staffs, development of a first class festival park on the riverfront in Davis Park, and major entertainment facilities such as the MetroCentre, NAT, the Coronado Theatre and the Midway Theatre. Several buildings have been redeveloped on both sides of the river, primarily for office use but also for retail businesses, residences and artists' studios. Downtown has become the home of several special events, the prime ones being Fourth of July, On the Waterfront and First Night.

The common thread running through all these efforts is the recognition by both the public and private sectors that if Rockford is to be a first class city, it must have a viable downtown. (See Appendix E for goals and policies from various downtown plans done in the 1980s and '90s to see how we have done in implementing these plans.) Rockford's perception by those outside the community is frequently colored by their perception of its downtown. The stronger it is, the stronger the community as a whole will be viewed, and vice versa. Based on research done in Kansas City, the strength of a city's downtown impacts on the economic strength of the community as a whole. They found that

- Those cities with faster-rising downtown populations enjoyed, on average, faster-rising home values across the metropolitan area.
- Those with stronger job growth downtown showed, in most cases, stronger area wide job growth and population growth.
- And those with better downtown job growth also tended to have better metropolitan economic growth.

[Taken from the Kansas City Star, September 22, 2002.]

In addition, downtowns are normally a key element of each city's unique identity. Every growing mid-size city has commercial strips similar to East State Street east of Alpine Road, frequently with the same stores and restaurants; and all have burgeoning residential subdivisions on the fringe like those that have sprung up around Rockford. However, each city's downtown is unique and as such needs to be the focus of continuing efforts to maintain an acceptable level of activity. Two steps that can be taken to protect downtown are to (a) enhance its unique appearance through preservation of its original architecture and (b) improve the ability of visitors and new residents to find their way around downtown through improved delineation of corridors

and provision of unified signage.

We anticipate that downtown Rockford will continue its current role as a center for the activities mentioned above — government, the law, and entertainment. To make the next step up, downtown must become a truly 24-hour center. This translates into a need for additional market-rate housing downtown, a need that is recognized in this plan with the inclusion of residential uses on both sides of

downtown and a need that was addressed in the 1993 "Downtown Rockford Market Rate Housing Study"

prepared for the Rockford Central Area Corporation. Part of the challenge in providing new downtown housing is to create a truly mixed community, not a monocultural "yuppiedom" designed for one small part of the community.

It is highly unlikely that downtown will ever return to its place as the area's regional shopping center, at least in the foreseeable future. However, this fact



should not blind us to downtown's other possibilities, possibilities that give downtown just as vital a place in the community as shopping. In pursuing these possibilities, the City and other members of the downtown community should pursue the following objectives:

- ➤ **Residential Development** Increase the amount and variety of downtown housing. The development of a variety of housing types (townhouse, multi-unit apartments, loft apartments, etc.) can play a part in achieving an expanded and diverse downtown population.
- Downtown Entertainment Expand the number and variety of destination entertainment venues in the downtown. Downtown should be the first choice location for one-of-a-kind cultural and entertainment venues. Sites such as the Coronado Theatre, the MetroCentre, New American Theater, the Rockford Art Museum and Davis Memorial Festival Park bring visitors who increase weekday and weekend activity throughout downtown. Other venues, such as the growing number of non-franchise restaurants, contribute to the vibrancy of nightlife and should also be encouraged.





- within downtown. Downtown should be a place where it is easy to move around and where major destinations are easily accessible. Parking should be easy to find and close to major destinations; transit should connect destinations; and information on the availability of parking and transit, and the location of major destinations should be plentiful.
- Quality of the Pedestrian Realm Make walking attractive, easier and convenient. One of the major objectives of the Bullseye! Plan from 1986 was to make downtown pedestrian friendly. This remains a primary objective. The pedestrian environment in downtown should be welcoming, offering landscaping, adequate lighting, safe and clearly defined crosswalks, a minimum of blank, monolithic walls and plentiful, easy to understand directional signs.
- ▶ **Downtown's Unique Assets** Take maximum advantage of the special features found downtown. The Rock River has special appeal for a wide range of activities; new public and private development should work to amplify that appeal. Downtown's rich architectural heritage should be protected, maintained and enhanced with new high-quality development. To accomplish this, the City must actively encourage/pursue the redevelopment of historic properties such as the Chick House at the south end of the Mall while at the same time creating basic design guidelines for new construction. It must also work to eliminate unimproved lots such as the one that has existed at the corner of State and Church Streets for several years. At the very least, properties such as this should be acquired by the City and land banked as green space until a new use can be found for them.
- ▶ **Downtown's Neighborhoods** An important element in downtown's future success is the state of the neighborhoods that surround it. The City is already engaged in an intensive planning effort centered around the design and construction of a new Morgan Street bridge. That plan is intended to address transportation, housing, recreational, historical and urban renewal efforts in order to continue the revitalization of this area and integrate it as a vital component of the downtown experience. The area lying between the Rock River and South Main Street from Morgan Street to downtown includes the area where Rockford was founded, and is now home to a vibrant and growing Hispanic business district. Developing a plan for this area will be instrumental in enhancing and sustaining not only a renewed South Main district, but also downtown.
- Everyone's Neighborhood What all of this boils down to is that downtown is everybody's neighborhood. If it is to function as our cultural and community center, we need to give it the attention it deserves. As part of that, the City needs to have staff dedicated solely to the maintenance and upkeep of downtown. Just as regular maintenance is important to the public's perception of any other public space, be it a

shopping center or a sports facility or a theater, it is a key element in the continued viability of our downtown.

The success of these efforts, however, will not rest solely with the City of Rockford. Members of the private sector and other governmental bodies located downtown bear an equal responsibility to make our downtown one we can all be proud of.

7. Enhance the Role of the Riverfront

As was mentioned in the first section of this plan, Rockford's Riverfront has assumed a role of prime importance in the community. With this in mind, we have made a concerted effort with this 2020 Plan to protect as much riverfront as possible, guaranteeing the greatest degree of public access possible. In some areas, this results in just a narrow band of proposed public acquisition areas such as in the area south of Harrison Avenue; in some, just a pathway, such as the Riverside Boulevard area; and in some, major acquisitions, such as those proposed along the Kishwaukee River near the Airport. In all cases, the intent is to make the most of an irreplaceable asset.



In addition to the geographical areas along the river proposed for acquisition, this plan endorses continued implementation of the policies, goals and objectives of the three plans mentioned earlier on pages 4 and 5. These provide a much more detailed framework for protection and wise use of the Rock River corridor as it traverses Rockford. Similar detailed planning efforts need to be directed towards the city's other riverfront area along the Kishwaukee River in conjunction with the Greater Rockford Airport, the Rockford Park District, the Winnebago County Forest Preserve District and the Rockford Area Transportation Study. At the same time this is done, the Rock River plans should be reevaluated in light of what's occurred in the 15 years since they were adopted. .

Specific recommendations include the following:

- The City should evaluate all riverfront proposals for compliance with the principles contained in earlier plans until updated plans are prepared. The goals and objectives for those earlier plans are contained in Appendix F. Current proposals include several components of the River District Framework Plan as well as the Barber Colman Village Redevelopment Concept Plan.
- More specifically, the City should standardize river setbacks in all zoning districts so that they match what is in the C-4 District as well as a landscaping requirement.
- ► The City should make every effort to convince property owners to beautify existing riverfront development.

Within this plan, we have provided ample area for industrial, commercial and office development to expand within Rockford's planning area. The goal is to provide places for people to work throughout the community, with good transportation access. Taking this in conjunction with a continuation of the economic development policies already in place will help to ensure the continued economic health of the City of Rockford and of its citizens.

Another key to Rockford's continued vitality is the economic health of the surrounding area. While in some ways we must view ourselves as an island — in protecting our sales tax base, for example — we must in general view ourselves as part of a region. As such, we need to ensure as much as possible that Rockford's plans for the future are in sync with those of the surrounding area. This has been done for many years in the transportation arena through RATS. This approach needs to be expanded to other aspects of land use

planning to ensure a good transition from Rockford to neighboring communities, and to ensure the economic health of all of us.